

ROUTING AND TRANSMITTAL SLIP

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1. <u>DD/DOA</u>	<u>AM</u>	<u>9 OCT 1988</u>																		
2. <u>DOA</u>		<u>10-13</u>																		
3. <u>DOA</u> attended the mtg																				
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EXCOM

81-9053/1

7 October 1981

81-2095

MEMORANDUM FOR: Executive Committee Members

FROM : Director, DCI/DDCI Executive Staff

SUBJECT : Minutes of Executive Committee Meeting,
6 October 1981: Proposed Employment Contracts

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1. The Executive Committee met on 6 October 1981 to review the General Counsel's proposed employment contracts in connection with the [redacted] situation. Admiral Inman chaired the session; participants included Messrs. Fitzwater (DDA); Stein (DDO); Dirks (DDS&T); Hineman (DD/NFAC); Taylor (ADDS&T); Ware (D/EEO); [redacted] (D.Compt); Briggs (IG); Sporkin (GC); Gates (D/OPP); and Glerum. (D/OP)

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2. In light of the [redacted] case, the DCI had requested the General Counsel to draft a revised employment contract requiring employees to notify the Agency concerning post-employment activities involving foreign governments and similar organizations. The DDCI elicited Executive Committee members' views on the resulting options presented by the General Counsel:

- A) A one-year ban on certain post-employment activities followed by a requirement to report such proposed employment to the DCI for a limited period of time, such as five years after terminating Agency service.
- B) No absolute ban on post-employment activities but a reporting requirement as described above for a limited time period.
- C) No ban on post-employment activities but a lifetime reporting requirement on certain post-employment activities.

Admiral Inman asked members to consider who should be required to sign such a contract, when, and whether or not there would be penalties for not signing. Finally, he asked what additional options, such as legislation, should be explored in the long run.

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3. Mr. Sporkin cautioned against overreacting to the [redacted] case and expressed concern about putting too great a burden on former employees--especially those who may have worked for the Agency for only a short time. He also suggested the proposed options might give the DCI too much power. Messrs. Dirks and Fitzwater were concerned about how to resolve cases in which former employees might work for a company doing business overseas but would not be directly involved in those activities. They also were concerned that such limitations on post-Agency employment activities would have a detrimental effect on recruitment efforts and an adverse impact on Agency morale.

4. Regarding the options presented, Mr. Briggs said that he would prefer a fourth prohibiting any former staff employee from working for a foreign intelligence service without obtaining Agency permission. After Messrs. Sporkin and Stein pointed out the potential difficulties. Mr. Briggs said that he favored Option C. Mr. Stein said that of the options presented, he would also opt for C. He also urged that Option C be supplemented (or replaced) by a reinvigorated Agency Code of Ethics stating that Agency employees have a lifetime commitment not to engage in activities that they would not undertake as employees. When in doubt, former employees should seek the advice of the General Counsel. He also suggested that those failing to comply should be subject to some penalty. In response to questions, Mr. Sporkin advised that noncompliance with the employment contract could result in the same penalties invoked in the Snepp case.

5. In response to comments that only two former employees had caused the current debate, Admiral Inman noted that concern about activities of former employees predated the present publicity over the [redacted] case. Messrs. McMahon, Stein, and Glerum had previously alerted the DDCI to the growing problem of Agency employees retiring in foreign countries and working in activities that were slowly blemishing the reputation of the Agency. After extensive discussion, Admiral Inman noted that Mr. Sporkin favored Option B and the rest of the Committee favored Option C, with some reservations. He requested that Mr. Sporkin revise Option C to [redacted]

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[redacted]
obligation of former employees to abide by the Agency's Code of Ethics. The Code of Ethics should be revised if necessary to include an explicit statement that former Agency employees should not engage in any activities that would defame the Agency in any way.

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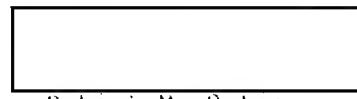
6. Committee members agreed that all Agency employees should be required to sign the revised employment contract. Admiral Inman urged that this be done carefully to ease any adverse impact on morale. Mr. Gates suggested that present employees might be given two years to sign the contract, enabling them to resolve any questions they might have or to seek employment elsewhere. He also suggested that employees who resign after working for the Agency for only the three-year probationary period (or less) should be required to report post-employment activities of concern for a limited time period of five years. Those working for more than three years would have a lifetime reporting requirement. The Committee endorsed both suggestions. Mr. Sporkin noted that the proposed contract would be legal but he expected someone to challenge it in court.

7. Regarding desired legislation, Admiral Inman agreed with Mr. Hineman's suggestion that Agency employees should not be singled out and all Government employees should report post-employment activities with foreign governments. The possibility of legislation to curtail retirement pay in cases of noncompliance was mentioned.

8. Admiral Inman asked Mr. Sporkin to revise his memorandum to the DCI/DDCI on post-employment contracts to incorporate the views of Executive Committee members. Option C should be revised to note examples of the kinds of employment of concern and the continuing obligation to abide by the Code of Ethics. This memorandum should be circulated to members for comments before being resubmitted to the DCI/DDCI by the end of the week.

9. Admiral Inman also tasked Mr. Glerum with revising the Code of Ethics, incorporating the suggestions made, circulating it for members' comments, and forwarding it to the DCI/DDCI in the near term. Mr. Fitzwater said that the Center for the Study of Intelligence had some material that would be helpful.

10. The meeting was adjourned.



Robert M. Gates

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